

that pay higher yields for speculating on the extent of losses in corporate defaults.

And again:

Banks Reviving Synthetic Bets as [Paul] Volcker Blasts Default Swaps.

Bloomberg. So here we are. The financial system collapsed, steered this economy right into a ditch. Millions and millions of Americans lost their jobs, lost their homes, lost hope, and are still struggling. The biggest interests got bailed out and made whole and now are making record profits again and are prepared to pay \$140 billion, I am told, in bonuses. And now we see they are back to trading synthetic derivatives—the very same firms.

How often do we have to learn this lesson—once, twice, three times, or ten times—before the Congress will decide: No more of it.

My point is, just like with kids, you say: Do you know what. You better hope your kids are running around in a good crowd. That is the success, isn't it, having them run around in a good crowd as opposed to a bad crowd? As I take a look at all these nominations and appointments, the question for me is, What kind of crowd do they run around in? And do you know what. There is a kind of insular crowd that all comes from the same locations, and they all believe the same thing, and the fact is none of them have the stomach or the interest or the courage to decide to shut down what is essentially gambling on Wall Street and firms that are too big to fail, which means it is no-fault capitalism and the American people will pay the consequences. None of them have the courage to do that. In fact, they have now been given a year to organize to try to stop anything that is done here in the U.S. Congress.

I will say once again, it was 10 years ago when I stood on the floor of the U.S. Senate and was one of eight Senators to vote against the piece of legislation that created these big holding companies—the Financial Services Modernization Act, it was called—to repeal the protections that were put in place after the Great Depression.

I said, 10 years ago, I think that is going to set this country up for massive taxpayer bailouts. No, I do not have a crystal ball, and I do not necessarily prognosticate very well. But I knew that if we allowed those who wanted to do one-stop financial shopping—putting together securities with banking, investment banking with FDIC-insured banking—we were headed directly toward a cliff. And 10 years later, it is the biggest financial scandal in the history of this country, and this economy barely survived it. The American people lost \$15 trillion in value as a result of this economic collapse—\$15 trillion.

So who is accountable? Well, there have never been the kinds of hearings I think there should have been developing a master narrative of what happened and who was responsible and who was accountable and where the buck ought to stop. But we know some of it.

We know who had some responsibility: the Federal Reserve Board.

Mr. Greenspan has since come to Congress and apologized because he said he was mistaken. He thought self-regulation would be just fine. Well, that is not why we have regulators. We have regulators because we know self-regulation does not work. The free market system is wonderful, but you need effective regulators who take a look at what is going on and call the fouls and blow the whistle when they see the fouls.

We went through a period where it was, "Katy, bar the door," do anything you like, and that is what happened. The big banks took leverage from 10 times capital to 30 times capital. They began selling derivatives and credit default swaps and, pretty soon, synthetic derivatives, which were just instruments of gaming, and nobody seemed to care.

At the same time, in another area of financial enterprise, we began to see the development of this new, aggressive orgy in mortgage scams to say to people: If you can't afford to buy a home, we have a mortgage for you. If you have bad credit, we have a mortgage for you. If you have been bankrupt—slow pay, no pay—come to us; we will help you buy a home. By the way, everybody was getting big fees. They wrapped it into a security, sold the security from the mortgage bank to a hedge fund, to an investment bank, and everybody knew better. Pretty soon, the whole thing collapsed, and the American people were told: Now you pay the cost. You pay the cost to clean up this mess.

Well, at every step along the way, the Federal Reserve Board had a responsibility. Bad behavior by brokers, bad behavior by mortgage banks—they had a responsibility to oversee those things. And today we read that synthetic derivatives are now being pushed by Bank of America and Morgan Stanley. So what is the Federal Reserve Board doing about that? What about that buildup of additional bubbles of risk? Does anybody care? Is there anybody who is going to do anything about that?

Mr. Bernanke is a good guy, but the fact is, he is part of the crowd that I think helped cause these problems. I think—and I have said candidly—during the darkest period, where there was the question of whether this economy would completely collapse, Mr. Bernanke made some fine decisions. I do not think he is a bad person at all. But I do not think he—by the way, this would apply to some others in areas of responsibility—I do not think he comes from the culture to say that this whole set of activities has to change and change now and change aggressively.

Let me complete my thought by simply saying that I understand how important banking is. I understand how important investment banking is. I understand the financing system of our country is important and needs to be

strong. I am not suggesting that somehow you can finance all the things we want to do in our country out of somebody's garage. That is not my point. My point is, however, there is the right way and the wrong way to construct a system of financing.

We have, over 200 years, seen this back-and-forth between those who produce and those who finance production. Sometimes one has the edge in terms of strength and power, and sometimes the other does. In the last 20 or 30 years, in my judgment, those who finance production have really been pulling the strings in this country as opposed to those who produce. That is why we have fewer good jobs in this country, and it is why we see more and more of the profits and more and more of the gross incomes that swell the paychecks of a lot of people at the top coming from investment banking and some of the biggest financial firms in the country. I do not think that is healthy for the country, as a matter of fact.

So I voted against Mr. Bernanke. I voted for cloture because I am not somebody who wanted to prevent a vote on it. But I did decide long ago that I was not going to be supportive.

Let me make one final point. That is this: Mr. Bernanke, during the height of the crisis, opened, for the first time in history, the Federal Reserve Board to give direct loans to investment banks—the first time ever they have given direct loans to commercial banks but never before to investment banks. He opened the window to say we are going to give direct loans to investment banks. My guess is trillions of dollars went out in direct loans. In my judgment, the American people and the Congress have a responsibility to know who got those loans, how much, and what were the terms. We have written to the Chairman of the Federal Reserve Board—myself, Senator GRASSLEY, and eight others—to say: You now have a responsibility to tell us who got that money and what were the terms. His answer to us was: I have no intention of telling you.

That is not acceptable to me and should not be acceptable to the Congress or to the American people, and that is another reason that I would not advance this nomination.

Madam President, I yield the floor, and I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CARDIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TRIBUTE TO FORMER SENATOR CHARLES "MAC" MATHIAS

Mr. CARDIN. Madam President, I take this time to talk about former

Senator Charles "Mac" Mathias who represented Maryland in the Senate for three terms and whose passing on Monday was a real loss for Maryland and our Nation.

Mac Mathias was a true statesman in the best sense of the word. He became a voice for those who had no voice. He fought for better conditions for working people, and he took bold, principled stands that were not always popular with the prevailing political sentiment.

Mac Mathias was one of my heroes, and I considered him a friend and adviser. He was first elected to Congress in 1960, and he lived through some of the most turbulent times of the 20th century, including the struggle for civil rights, the Vietnam war, and the Watergate scandal. Mac's strong, principled stand garnered respect from both sides of the aisle, prompting then-majority leader Mike Mansfield to characterize Mac as "the conscience of the Senate."

Mac Mathias was often at odds with his own party. In 1970, for instance, he denounced the U.S. military incursion into Laos, condemned the Watergate scandal, and worked tirelessly for campaign finance reform. His outspokenness earned him a place on President Nixon's enemies list.

Mac was an important supporter of the civil rights movement, helping to craft an open housing law. In 1965 he traveled to Selma, AL, to visit Dr. Martin Luther King, Jr., who was then in jail. In 1986 at a farewell party for Senator Mathias at the Baltimore Convention Center, Benjamin L. Hooks, the president of the NAACP said: "I say thank God for Mac Mathias."

Mac was an outstanding advocate for Maryland in Congress. Proud of his Frederick roots and committed to the environment, he proposed legislation to protect the Chesapeake Bay, Antietam National Battlefield, and Assateague Island. He also was the primary sponsor of the bill that created the C&O Canal National Historical Park.

Mac was a tireless advocate for fair elections. In the 110th Congress, he traveled to Washington to help lobby fellow Republicans for a bill to combat election fraud. He was a leader for campaign finance reform—a subject Congress will have to revisit in the wake of the majority's decision last week in *Citizens United v. Federal Election Commission*.

He once remarked:

No problem confronting our nation today is greater than that of our steadily eroding confidence in our political system.

He was so right. He understood that democracy is dependent on inclusion and on citizens who participate in the process and who have confidence that their views will be heard and fairly considered.

Today, I urge my colleagues to pause for a moment to remember a gentleman from Maryland who cared deeply for our Nation and understood that

our democracy depends on strong leaders who have courage, intelligence, and integrity. Mac Mathias was such a leader.

(The further remarks of Mr. CARDIN pertaining to the introduction of S. 2967 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Michigan is recognized.

#### AFGHANISTAN/PAKISTAN TRIP

Mr. LEVIN. Madam President, I recently returned from a trip to Pakistan and Afghanistan with Senator AL FRANKEN. We heard a great deal of troubling news out of Afghanistan over the past few months. Casualties have increased and the political situation has been unsettled. Based on what we saw and heard during our trip, I am somewhat more optimistic that we will succeed in Afghanistan. I am a lot more optimistic now than after my last visit to Afghanistan in September. Success, to me, is defined as preventing the Taliban from returning to power at the same time we strengthen the Afghan security forces to take responsibility for Afghan security in order to ensure stability in Afghanistan.

Over the course of 3 days, we met with key civilian and military leaders in both Pakistan and Afghanistan.

In Pakistan, we met with Pakistan Prime Minister Gilani; Army Chief of Staff Kayani; and a leader from the opposition party, Ahsan Iqbal. Pakistan has taken some steps to take on elements of the Pakistan Taliban and al-Qaida but has been for the most part unwilling to take on the Afghan Taliban which uses Quetta in the south of Pakistan and North Waziristan in Pakistan's federally administered tribal areas as safe havens and to attack Afghanistan.

In Afghanistan, we met with U.S. Ambassador Karl Eikenberry; GEN Stanley McChrystal, Commander of the NATO-led International Security Assistance Force, or ISAF; LTG David Rodriguez, Commander of the ISAF Joint Command; LTG William Caldwell, who leads the NATO Training Mission in Afghanistan; and British MG Nick Carter, Commander of ISAF forces in Regional Command South. We also met with key Afghan officials, in particular President Karzai, Minister of Defense Wardak; and Minister of the Interior Atmar. Outside Kabul, we traveled to bases in Kandahar province, where we met with Canadian and American ISAF troops who are fully embedded in a partnership, i.e., living side-by-side with Afghan security forces.

Our men and women in uniform are performing magnificently. We visited with our troops in the field in Kandahar, and they are living and operating in a difficult environment with only basic accommodations. Yet their morale is high and they are eager to carry out their mission. And they have some of the best leadership our military has to offer in ISAF Commander

GEN Stanley McChrystal, Lieutenant General Rodriguez, and Lieutenant General Caldwell. On the civilian side, Ambassador Karl Eikenberry and his team are putting in place the diplomatic and technical expertise in Kabul and the field to match our military effort.

One reason I am more optimistic now than when I visited Afghanistan in September is our counterinsurgency strategy is taking hold. Our troops are comfortable with the new focus on securing the Afghan people. This requires that our troops remain with the Afghan people and not just clearing towns and villages of Taliban and then leaving the Afghans to fend for themselves when the Taliban return. Our troops understand and embrace this people-centered approach. As British MG Nick Carter, Commander of the coalition forces in the south, said:

If we show confidence and mutual trust, the population will look after us.

The Afghan people are more optimistic than they have been in the recent past. A recent ABC News survey found that 70 percent of the Afghans polled said Afghanistan is headed in the right direction, a significant jump from a year ago. Over 60 percent of Afghans expect their children will have a better life. The Taliban remain extremely unpopular, and 68 percent of Afghans continue to support the presence of our troops in their country.

I have long been convinced that our principal mission in Afghanistan should be training the Afghan security forces. That drove my belief that we should not focus on adding more U.S. combat forces, except where we needed to train, equip, and support Afghan security forces.

As I put it when the President was considering additional combat forces, I supported a show of commitment but said commitment could be shown by additional trainers and support personnel, along with a flow of equipment to Afghan forces. I expressed then and believe now our major mission should be a surge of Afghan forces to take on the Taliban. Afghan security forces will ultimately win or lose the long battle with the Taliban. Our support will help, but our growing presence has a downside: a growing footprint, which is the physical and rhetorical propaganda target for the Taliban.

We heard in our conversations that President Obama's West Point speech in December has had a tangible, positive impact in ways that I believe are the most significant in Afghanistan. According to LTG Bill Caldwell, the head of our NATO training command, the number of new recruits signing up for the Afghan Army has skyrocketed from 3,000 in November to over 11,000 recruits in training today. The training command has had to turn recruits back because they didn't have enough trainers on hand. Lieutenant General Caldwell told us, forcefully and clearly, that what energized the Afghan leadership to call for and to reach out to new

recruits was the July 2011 date President Obama set for the beginning of reductions in U.S. troops in Afghanistan. Even more than the pay increase, which was announced for Afghan troops, Lieutenant General Caldwell said setting that date by President Obama made clear to the Afghan Government and to the Afghan people that President Obama means business when he says our presence in Afghanistan is not an open-ended commitment. Afghan leaders became focused on planning for the shift in principal responsibility from coalition forces to their forces that is highlighted by that July 2011 date, and they took urgent steps to increase recruitment to the Afghan Army. While it is too early to determine if the surge in U.S. combat forces will have the effect President Obama and General McChrystal intend, it is not too early, in other words, to see a positive effect toward accomplishing the mission of strengthening and training the Afghan Army.

A key to the success of that mission will be partnering with the Afghan security forces. In Regional Command South's Kandahar area, which we visited, coalition and Afghan units are partnering on a one-to-one basis at all levels, from planning at the headquarters down to operations at the platoon level, and Afghans are taking the lead in operations. When I visited Helmand Province in the south in September, there were about five U.S. marines for every one Afghan soldier. In the coming months, additional Afghan forces will be arriving in Helmand so, by April, coalition and Afghan units will be partnered on a one-to-one basis as they conduct the key mission of providing security in the Helmand River Valley. We were informed Afghan forces will be leading that vital and dangerous mission.

Senator FRANKEN and I saw up close how partnering of coalition and Afghan forces is being put into operation. This is not just about joint operations, though that is part of it. It is about Afghan and coalition troops living together and integrating their daily lives. This partnering is at the heart of our troops' mission, which is to prepare Afghan security forces to take responsibility for their nation's security. Some fully integrating partnering in the field is already occurring. General Rodriguez promised us he will get data on how many of the units in the field that are planning and operating with coalition units are fully integrated and how often and how many Afghan units are leading significant operations. While we didn't need more combat troops for the partnering mission—the shortfall being in the number of Afghan troops—the increase in Afghan units partnering with us is a significant advance.

Our military leaders often describe our counterinsurgency doctrine as shape, clear, hold, and build. But this falls short by one key goal. To shape, clear, hold, and build must be added

“transition,” meaning our goal must be to transition responsibility for Afghanistan's security to their security forces. The commanders in the field we talked to get this, and their fully integrated partnering with Afghan security forces is the key to this transition.

While I am pleased with the speed with which partnering is occurring in the field, I am disappointed with the shortfall in trainers needed for the Afghan Army and police. Currently, only 37 percent of the required U.S. and NATO trainers for building the Afghan Army and police are on hand in Afghanistan or, numerically, 1,574 out of a requirement for more than 4,235 trainers. Lieutenant General Caldwell's training command has been promised the first 1,000 of the 30,000 U.S. soldiers flowing into the theater with that surge, and 150 of that 1,000 have already arrived. At the same time, NATO countries remain 90 percent short of meeting the ISAF mission requirements for trainers with less than 200 non-U.S. trainers deployed against a non-U.S. NATO commitment of about 2,000. Only 200 have arrived on the scene. Another 200 NATO trainers were pledged by NATO members in December but without a timeline for when those trainers would arrive in theater. That is simply unacceptable. Those NATO countries that are either unwilling or unable to send additional combat troops into the fight in Afghanistan should be able to help provide trainers for basic training who operate away from the frontlines. Lieutenant General Caldwell told us, any well-trained U.S. or coalition soldier could instruct Afghan soldiers in the 8-week course of basic training. A top priority for our NATO allies at the London conference, which I believe is this week, needs to be closing the gap in trainers for the Afghan Army and police.

Another area where there has been progress is on equipping the Afghan security forces, and that is critical to accelerating the growth of the Afghan Army and police.

The training command reports that the equipment requirements for the Army and police have been identified and listed, and actions are underway to meet those needs, including with equipment coming out of Iraq as U.S. forces draw down there. This month, equipment began to flow from the Iraq theater to Afghanistan, and Lieutenant General Caldwell's staff expects that over 250 of over 1,300 humvees from Iraq will begin to arrive this month to meet the needs of the Afghan police. This was made possible by the language in the Fiscal Year 2010 National Defense Authorization Act which authorizes the transfer of nonexcess as well as excess defense equipment from Iraq to Afghanistan as U.S. forces draw down in Iraq.

Finally, relative to plans for the reintegration of lower level Taliban fighters, the Karzai government has been working closely with General McChrystal's staff, under the leader-

ship of a British major general, to construct a plan offering incentives to low- and mid-level Taliban fighters who are willing to lay down their weapons and recognize the Afghan Government's authority. Incentives would include amnesty and jobs programs for reintegrating former fighters. President Karzai has said he will be ready to issue this plan within a month or so, and U.S. officials expect to be fully supportive. It will take a few months after that to make the plan operational. While there is apparently no progress to negotiate with higher level Taliban to end the violence and become politically active, it does not reduce the need to chip away at that lower level Taliban group.

We read in the press today that progress is being made, as a matter of fact, with local leaders in Afghanistan in that endeavor.

In conclusion, we saw some signs of progress on our visit in a number of critical ways—in training and equipping Afghan security forces; in partnering closely in the field with the Afghan security forces; in a perception and reality of optimism among the military, civilian officials, and the Afghan people; and in devising a plan for reintegrating Taliban fighters who lay down their arms. We have the right strategy and mission for stabilizing the security situation and transitioning responsibility for Afghanistan's future to the Afghan Army and people. While we are on the right track now, we have a long way to go before we can feel confident that the tide has turned.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### COMPREHENSIVE IRAN SANCTIONS, ACCOUNTABILITY, AND DIVESTMENT ACT OF 2009

Mr. REID. Madam President, this has been a long time in coming—I think 7 or 8 months—and I have had the distinguished Republican leader contact me on more than one occasion asking when we were going to be able to move this bill. I appreciate his continuing to press to move this bill forward. We are at a point now where we think we have an opportunity to complete this today.

I also want to express my appreciation to my friend from the class of 1982 in the House of Representatives, JOHN MCCAIN, who has worked on this as hard as anyone and has pushed this as much as anyone, for his understanding as to how we should move forward.

So, Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calender No. 215, S. 2799; that the bill be